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U.S. DEPT. OF AGRICULTURE
REPORT

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 35-83

WASHINGTON, August 31--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

According to PAKISTAN's Food and Agriculture Minister, a record wheat crop of 12.3 million tons in 1983/84 should provide Pakistan with an exportable surplus of around 500,000 tons after satisfying the 1.5-million-ton reserve required to protect against domestic shortages. Pakistan is currently importing around 400,000 tons of wheat a year; however, this comes into the country as donations and grants from international agencies and developed countries for Afghan refugees. Good crops in the past two years have allowed Pakistan to export an average of 150,000 tons of wheat a year.

Preliminary data indicate CANADA has exported more than 29 million tons of Western grain and oilseeds in marketing year 1982/83 (August-July), about 2 million tons above last season's record level. Canada is running well ahead of earlier expectations in meeting its ambitious goal to export 30 million tons of Western grain and oilseeds by 1985/86 and 36 million tons by 1990/91. The large 1982/83 movement was primarily due to significantly increased wheat exports, at about 21 million tons (excluding flour), reaching a full 3 million tons above 1981/82 exports. On the other hand, Canadian August-July 1982/83 barley exports, at 5.3 million tons, fell somewhat below last season's record 5.7-million-ton movement.

CHINA's Ministry of Foreign Economic Relations and Trade liberalized imports of an array of foreign goods earlier this year. As a result, the flood of imports has exceeded the capacity of China's rail and road system to move the imported goods away from ports, according to a recent Chinese news article. This has left ports congested with backed-up ships. In mid-June, more than 400 ships were backed up, waiting to unload. Currently, more than 3 million tons of cargo are currently in temporary storage along wharfs in various ports. According to the article, an additional 1 million tons of grain have also backed up in several ports since February due to limited grain storage facilities at discharge points. Imported grain normally enters consumption channels immediately following off-loading.

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OILSEEDS AND PRODUCTS

Traders and crushers in BRAZIL will be granted export licenses for soybeans and products only if they can show that they have the supplies available, according to the U.S. agricultural officer in Sao Paulo. Reportedly, the Bank of Brazil's Foreign Trade Department (CACEX) and the Brazilian Association of Vegetable Oil Industries (ABIOVE) are working on procedures for this measure.

The Brazilian government is concerned that registration of sales for soybeans and products has exceeded domestic availabilities. This new announcement follows a period of several days of confusion during which issuance of export licenses was delayed by CACEX. Eventually, the Brazilian government announced that they would issue export licenses as long as the traders and crushers could prove they had valid contracts.

While the uncertainty regarding the situation in Brazil is likely to continue, the volume of Brazilian soybean and product exports shipped during the marketing year should not be affected significantly.

Fishmeal production by the FISHMEAL EXPORTERS ORGANIZATION (FEO) countries, which accounts for the bulk of world exportable supplies, totaled 652,000 tons during January-June 1983 -- down 27 percent from the same six months in 1982. Fishmeal exports during the same period dipped to 545,000 tons, down 24 percent from the same period a year ago. Fishmeal stocks on June 30 declined 34 percent from a year ago. Data are as follows in 1,000 tons:

Country	Jan-Jun 1982			Jan-Jun 1983		
	Production	Exports	Ending Stocks	Production	Exports	Ending Stocks
Chile	331	286	245	327	256	245
Iceland	27	38	14	25	23	4
Norway	156	92	92	187	138	70
Peru	375	302	197	113	128	43
Total	889	718	548	652	545	362

During June 1983, fishmeal production by the FEO countries was 69,000 tons, 61 percent below the same month a year ago. June exports, at 61,000 tons, were 52 percent above the June 1982 volume, but 37 percent below the January-May 1983 monthly average.

In mid-August, fishmeal prices, basis Europe, averaged \$437 per ton--37 percent above the August 1982 level. However, despite the shortfall in production, exports and stocks, the fishmeal/soybean meal price ratio was still only about 1.52 to 1 compared with 1.48 to 1 a year earlier.

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DAIRY, LIVESTOCK AND POULTRY

Egg production in FRANCE during 1983 is estimated at 15.2 billion eggs, more than 4 percent below the 1982 level, according to the U.S. agricultural counselor in Paris. The decline is the result of a series of producer and government efforts to bring a better balance between supply and demand. During the early months of 1983, producers, with government aid, removed 3.5 million hens from the laying flock. When that failed to restore favorable prices, producers adopted in early June a program of minimum selling prices for eggs. Also during June, the National Federation of Egg Producers set up a market regulatory office whose activities will be financed by a levy on every ton of poultry feed sold. Goals of that office will include promoting exports of eggs to non-EC countries and, if necessary, distribution of surplus eggs.

COTTON AND FIBERS

Cotton production in COLOMBIA is forecast by the U.S. agricultural counselor in Bogota to reach 241,000 bales in 1983/84, compared with last year's output of 160,000 bales. Improved cotton prices and stronger domestic and international demand are contributing to a 48-percent increase in planted area. Harvested area in 1982/83 totaled only 58,000 hectares (a 73-percent decrease from the previous year) due to adverse weather conditions in the important cotton growing region of Costa-Meta, unattractive world cotton prices and weak international and domestic demand.

TURKEY recently announced 1983/84 producer support prices for seed cotton. In the Aegean and Cukorova regions, Izmir and Adana types of cotton will receive 90 and 95 Turkish lira per kilogram, respectively. This represents an increase of about 20 percent from 1982/83 prices. Producer groups, however, have expressed dissatisfaction with the new prices, asserting that the increases are not adequate to cover the current costs of production.

TOBACCO

The AUSTRALIAN Agricultural Council has set the 1984 marketing quota at 14,000 tons, 8 percent below last year's quota. The 1983 crop totaled 13,900 tons, a marginal increase from a year earlier. The 1984 harvest will be the first crop marketed under the new five-year Tobacco Stabilization Plan, administered by the Australian Tobacco Board. Significant changes in the 1984-88 plan from previous plans include: adoption of a formula to narrow the gap between prices of domestic and the more competitive international leaf; limiting the annual average minimum price increase for quota leaf to a maximum of 4.7 percent; improved provisions for raising the quality of domestic leaf as well as encouraging transfer of quota to more favorable production areas; permitting manufacturers to blend an overall percentage of domestic leaf instead of for each product line as previously required; and reducing manufacturers' stock requirements at the end of the plan period from 18 to 13 months' supply.

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MALAWI's flue-cured auction sales during April 4 through August 11 totaled 18,518 tons at an average price of \$1.71 per kilogram. For the same period in 1982, sales were 20,495 tons at an average price of \$2.41 per kilogram. During the week ending August 11, sales were 801 tons with the average price reaching \$2.07 per kilogram.

Burley sales for the April 4-August 11 period totaled 18,852 tons at an average price of \$1.13 per kilogram, far below the 1982 average price of \$2.49 for the same time period. Fire-cured sales (northern division, main crop) for this same period were 5,101 tons at an average price of \$2.72 per kilogram, compared with last year's sales of 5,729 tons at average price of \$3.93 per kilogram.

In ZIMBABWE, the Tobacco Marketing Board reports that after 18 weeks (through August 9) of flue-cured tobacco auction sales, 59,620 tons of tobacco valued at US\$107.4 million were sold, averaging US\$1.80 per kilogram. This year's sales compare with 55,156 tons, valued at US\$96.4 million, averaging US\$1.74 per kilogram, following 21 weeks of sales through August 4, 1982. The 1983 selling period has been reduced by 30 days from last year, reflecting a greater volume of sales in a relatively shorter period.

In HONG KONG, August 15 marked the deadline for the health warning label to appear on all cigarette packs. The labelling requirement was the last phase in a series of anti-smoking laws which have been made effective section by section since November 15, 1982. It is believed that the anti-smoking campaign has had only minimal effect on smokers, since smokers have been found to be more price conscious than health conscious.

However, an approximately 300-percent increase in tobacco duties in late February 1983 resulted in a sharp upward swing in retail cigarette prices and sales reportedly dropped substantially. This led to subsequent price cutting by the tobacco industry in efforts to regain sales. To oppose the government's anti-smoking campaign and the increased tobacco duties, the major tobacco companies in Hong Kong reportedly are planning to set up a tobacco institute by the end of August.

FRUITS AND NUTS

Determined to control inflation, TURKEY's Money and Credit Board has announced increases of only 16-22 percent in the support prices for a number of agricultural commodities for 1983/84, including sultana raisins and figs. These increases are regarded as unacceptably low by producers.

In a related move designed to encourage deliveries to state controlled farm sales cooperatives, the government has changed its payment policy of 50 percent cash at delivery and the balance in six months to full cash payment at delivery or an interest payment at the rate of one percent each 15 days on the unpaid balance.

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JAPAN's first official estimate of the 1983 satsuma orange crop, which accounts for about 90 percent of the total tangerine crop, is 3.1 million tons, up 8 percent from last year. The crop is expected to exceed the government's estimated domestic demand of 2.71 million tons. In response to the oversupply, the government announced a three-year program, beginning in April 1984, to reduce the satsuma orange planted area by 10,000 hectares, an amount equal to about 7 percent of the total tangerine area. Some \$6.9 million has been authorized to compensate growers during the first year of the program.

In AUSTRALIA, the Industries Assistance Commission has been asked by the Minister of Primary Industries to make an inquiry into the dried vine fruit industry's marketing and financing arrangements to determine the reasons for industry unrest. The minister said the industry may need to contract to some degree in the future and increase its overall efficiency by more widespread adoption of the latest technology. This is necessary to remain competitive in a world market where Australian exporters face new European Community measures and rising output in other major grower countries due to new plantings.

Officials of the Australian Dried Fruit Association have proposed a package of measures which would: provide a better method of predicting returns; increase financial support for sultana producers; improve statistical procedures for predicting the industry's productive capacity; retain the Australian market for local production; and examine the relationship between the setting of minimum prices for wine grapes and the price for dual purpose grapes.

COFFEE, TEA AND COCOA

PERU's 1983/84 green coffee production estimate is 1.2 million bags (60 kg each), up 100,000 bags from the revised 1982/83 estimate. The 1983/84 production estimate is based on harvesting already concluded in central and southern coffee areas and on anticipated higher production in northern areas.

Peru, like many other coffee-producing countries, has sought to increase exports to countries that are not members of the International Coffee Organization. An important new market has recently been opened in Argentina with the elimination of the 14-percent import duty on Peruvian coffee, which harmonized Peru with other Latin American suppliers. Although exports are forecast to increase to 827,000 bags in the 1983/84 marketing year, 19 percent more than in 1982/83, year-end stocks are predicted to grow by more than 100,000 bags to 580,000 and put considerable pressure on limited warehouse space.

Selected International Prices

Item	: Aug. 30, 1983	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWRS-13.5%.	216.00	5.88	+3.00 195.50
U.S. No. 2 DNS/NS: 14%...	188.00	5.12	-4.00 172.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	-- N.Q.
U.S. No. 2 S.R.W.....	169.00	4.60	-5.00 143.00
U.S. No. 3 H.A.D.....	209.00	5.69	-4.50 161.50
Canadian No. 1 A: Durum..	222.00	6.04	-.50 181.00
Feed grains:			
U.S. No. 3 Yellow Corn....	164.50	4.18	-9.50 112.50
U.S. No. 2 Sorghum 2/.....	154.00	--	+13.50 N.Q.
Feed Barley 3/.....	N.Q.	--	-- N.Q.
Soybeans and meal:			
U.S. No. 2 Yellow.....	351.50	9.57	-- 230.00
Brazil 47/48% SoyaPellets 4/	297.00	--	-9.00 205.00
U.S. 44% Soybean Meal.....	285.00	--	-8.50 200.00
U.S. FARM PRICES 5/			
Wheat.....	126.03	3.43	-.37 121.25
Barley.....	106.56	2.32	+3.68 70.73
Corn.....	132.28	3.36	-1.18 87.40
Sorghum.....	116.40	5.28 6/	-.88 80.69
Broilers 7/.....	1233.03	--	+107.14 N.A.
EC IMPORT LEVIES			
Wheat 8/.....	64.80	1.76	-2.52 103.76
Barley.....	45.75	1.00	-9.71 102.14
Corn.....	31.85	.81	-5.32 99.03
Sorghum.....	48.05	1.22	-12.25 97.62
Broilers 9/.....	N.Q.	N.Q.	N.Q. * N.Q.
EC INTERVENTION PRICES 11/			
Common wheat(feed quality)	159.90	4.35	-2.80 172.29
Bread wheat (min. quality)	176.15	4.79	-3.10 190.71
Barley and all			
other feed grains.....	159.90	--	-2.80 172.29
Broilers 11/.....	N.Q.	N.Q.	N.Q. N.Q.
EC EXPORT RESTITUTIONS (subsidies)			
Wheat 12/.....	30.14	.82	-.11 68.26
Wheat flour.....	N.Q.	N.Q.	N.Q. N.Q.
Barley.....	12.90	.28	-5.25 63.52
Broilers 9/.....	N.Q.	N.Q.	N.Q. * N.Q.
Sugar, refined	N.Q.	N.Q.	N.Q. N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ F.o.b. price for R.T.C. broilers at West German border. 12/ Corrective amount Aug. 0, Sept. -3, Oct. -5, Nov. -8, and Dec. -10. N.Q.=Not quoted. N.A.=None authorized. Note: Basis September delivery. *Reflects currency fluctuation and not change in level set by EC.

FAS Circular Release Dates 1983

July	Aug	Sept	Oct	Nov	Dec
8 Horticultural Products Review	8 Horticultural Products Review	8 Horticultural Products Review	11 Horticultural Products Review	4 World Meat Situation/Outlook	8 Horticultural Products Review
World Coffee Situation	11 World Crop Production ¹	12 World Crop Production ¹	12 World Crop Production ¹	8 Horticultural Products Review	12 World Crop Production ¹
12 World Crop Production ¹	12 World Agricultural Supply/Demand ²	13 World Agricultural Supply/Demand ²	13 World Agricultural Supply/Demand ²	9 World Sugar & Molasses Situation	13 World Agricultural Supply/Demand ²
13 World Agricultural Supply/Demand ²	USSR Grain Situation/Outlook	USSR Grain Situation/Outlook	USSR Grain Situation/Outlook	10 World Crop Production ¹	USSR Grain Situation/Outlook
World Tobacco Situation	World Tobacco Situation	World Tobacco Situation	14 World Grain Situation/Outlook	14 World Agricultural Supply/Demand ²	World Tobacco Situation
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14 World Grain Situation/Outlook	16 Agricultural Export Outlook ³	19 World Cotton Situation	19 World Cotton Situation	15 World Grain Situation/Outlook	15 World Dairy Situation/Outlook
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			31 Agricultural Export Outlook ³	29 Export Markets for U.S. Grains	

All World Grain Situation/Outlook Circulars are available at 9:00 a.m. of the day designated. All other FAS circular reports listed above are available after 3 p.m. on the day of release from FAS Information Services Staff, Room 5918 South Building, U.S. Department of Agriculture, Washington, D.C. 20250. Telephone (202) 447-7937.

¹ Available from FAS, Information Division, Room 5918 South Building.

² Prepared jointly by USDA's Foreign Agricultural Service, Economic Research Service and the World Agricultural Outlook Board. Limited number of copies and subscription information are available from the World Agricultural Outlook Board Room 5143 South Building, Washington, D.C. 20250. Telephone (202) 447-5447.

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